

VZCZCXRO8230  
RR RUEHCN RUEHGH RUEHVC  
DE RUEHBJ #4441/01 3390932  
ZNR UUUUU ZZH  
R 040932Z DEC 08  
FM AMEMBASSY BEIJING  
TO RUEHC/SECSTATE WASHDC 1226  
INFO RUEHOO/CHINA POSTS COLLECTIVE  
RHMFIUU/CDR USPACOM HONOLULU HI

UNCLAS SECTION 01 OF 02 BEIJING 004441

DEPARTMENT FOR INR/R/MR, EAP/CM, EAP/PA, EAP/PD, C  
HQ PACOM FOR PUBLIC DIPLOMACY ADVISOR (J007)  
SIPDIS

E.O. 12958: N/A  
TAGS: [OPRC](#) [KMDR](#) [CH](#)

SUBJECT: MEDIA REACTION: TAIWAN, STRATEGIC ECONOMIC DIAOLOGUE

-----  
Editorial Quotes  
-----

11. TAIWAN

a. "The inside story about the ceasing of the U.S.-China military exchanges"

The official Xinhua News Agency international news publication International Herald Leader (Guoji Xianqu Daobao)(12/04): "China has canceled its military exchanges with the U.S. in order to protest the U.S. arm sales to Taiwan. This is the fifth time that the U.S.-China military exchanges have stopped. A Chinese official in the National Defense Department expressed that China has cancelled some mutual visit and other exchange activities with the U.S. since October. The words 'cease' is not an exact saying. China just cancelled some activities and postponed some exchange activities. It depends on the U.S., to withdraw their arms sales to Taiwan and stop the U.S.-Taiwan military connections, which will decide when China will resume these programs. Every time there is a backwards step in the relationship, it has been caused by U.S. interference in China's internal affairs. How long the U.S.-China military exchanges can last depends on actions by the U.S., not actions by china."

b. "Taiwan spy case: the secret about the strategic missile has been released"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(12/04): "The Western countries accusation about China's intent to execute the Taiwanese spy is without merit. Strategic missiles are an important strategic strength of China. They protect the nation and the people's security. The Taiwanese spy has stolen confidential information about this strategic missile. The case has become one of the biggest spy cases since China's establishment, causing serious damage to China's security and national defense construction. A Chinese spokesperson of Foreign Ministry expressed that China's verdict is completely within the scope of China's judicial sovereignty. The trial process is righteous. Irresponsible comments on China's verdict have trampled the spirit of rule of law. China urged those countries to stop their wrong moves and stop from interfering other country's judicial actions."

12. STRATEGIC ECONOMIC DIAOLOGUE

a. "Carry forward Sino-U.S. dialogue mechanism"

The official English-language newspaper China Daily (12/04): "The fifth round of Strategic Economic Dialogue (SED) between China and the United States is to be held in Beijing today. Being the last round of talks between the two countries during the outgoing Bush administration, it has evoked a particular interest as to whether the dialogue mechanism will be carried forward into the new U.S. administration. ...The SED proponents argue that as two economic powers, it is necessary for the two heavyweights to continue with

such a regular dialogue channel. ...From the Chinese viewpoint, the establishment of the dialogue mechanism was aimed to provide both sides with a platform to hold consultations on issues of strategic significance but not to implicate them into meaningless disputes on specific issues. ...The SED between China and the U.S. can serve as an important supplement to the established global consultation mechanisms in dealing with the ongoing economic crisis. ...Given Obama's remarks during his presidential campaign, whether the dialogue mechanism is kept alive will be a pointer to the new U.S. administration's policy toward China."

b. "SED has achieved a lot"

The official English-language newspaper China Daily (12/04): "As Vice-Premier Wang Qishan and United States Treasury Secretary Henry Paulson co-chair the fifth Sino-US Strategic Economic Dialogue (SED) today, many have a question to ask - will this be the last of its kind? ...But let us pray for the spirit that gave birth to the SED to sustain. It does not matter whether it will continue to be called SED, or conducted the way it has been. But the two countries just cannot afford to abandon the hard-earned consensus on the need to talk to each other. It took the Bush administration, and of course its Chinese counterpart, six years to get there. One of the truly significant successes of the Bush presidency is the establishment of the SED, which opened up real-world possibilities to anchor the once volatile bilateral ties. ...We wish the new round of dialogue another success. Not just because we want the anticipated agreements, which are essential for both countries to tide over current troubles. It is more about its main theme 'laying the foundation for a long-term Sino-U.S. economic partnership.'"

BEIJING 00004441 002 OF 002

RANDT